



# PRESS RELEASE

NEWS FROM THE DMV NEWS FROM THE DMV

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## DMV ARRESTS FORMER AUTO DEALERS LINKED TO SALES LOAN SCHEME

*Department is part of Fugitive Task Force Led by US Marshall's Office*

**Los Angeles** – A former owner of the defunct Downey Motorcars and South Gate Motors and his wife were arrested on Feb. 12 in connection with a fraudulent auto sales loan scheme that defrauded several financial institutions and numerous customers of more than \$5 million.

DMV investigators were part of a United States Marshall's Office Fugitive Task Force which arrested Ruben Hernandez and Aida S. Gutierrez-Bonilla of Pasadena, on multiple counts of grand theft, identity theft, false financial statements and dissuading a witness by force. Both were booked into Los Angeles County Jail on bail amounts of \$4 million and \$500,000, respectively.

The scheme consisted of fraudulent loan applications utilizing stolen identity and fictitious information, and false Social Security numbers. The suspects allegedly re-sold and double-financed many of the same vehicles with other finance companies. During the course of the auto loan activity, personal identifying information from three victims was used without their knowledge or authorization in the commission of the crimes.

Hernandez allegedly engineered several fraudulent real estate loans. On various dates in 2005, he submitted real estate loan applications containing false information and false financial statements to various lending firms on six different properties, defrauding the lending companies.

The arrests bring to a close an investigation that began in September 2005. The dealership was subsequently closed in January 2006. DMV estimates that more than \$5 million in auto and real estate loan proceeds were procured fraudulently.

In September 2008, DMV investigators made initial arrests of three former employees of the dealership -- Marisela Alvarez, Joel Rodriguez and Leticia Medrano -- on several felony counts of grand theft, identity theft, and filing false financial statements. All three have hearings scheduled this week.

**Editor's Note:** Supervising Investigator Elizabeth Devellerez at DMV's Artesia Investigations Office, is available for interviews. She can be contacted at (562) 403-2221.

\* \* \* \* \*

DMV is a department under the Business, Transportation and Housing Agency, which is under the direction of Secretary Dale E. Bonner. The DMV licenses drivers; maintains driving records; registers and tracks official ownership of vehicles and vessels; investigates auto and identity-related fraud; and licenses car dealers, driving schools, and traffic violator schools.



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